

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AID-05 TRSE-00
NSCE-00 SSO-00 SIG-03 MMO-01 XMB-02 AF-10 ARA-10
NEA-10 INRE-00 ICAE-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 PA-01 CTME-00 SS-15 STR-07 ITC-01
SP-02 SOE-02 OMB-01 DOE-15 /156 R

DRAFTED BY EB/IFD/ODF:A F WATSON/E W LOLLIS
APPROVED BY EB - R HORMATS
IO/IEP - D COHN
EB/IFD/OMA - W B MILAM
EB/ITP/OT - J BAY (SUBS)
AID/DAA/IA - KM KAUFFMAN (SUBS)
TREASURY - K BUTTON
EUR/RPE - P MCLEAN (SUBS)
NSC - G ERB (SUBS)

-----079513 270027Z /75

O R 262324Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS IMMEDIATE
USMISSION GENEVA IMMEDIATE
AMEMBASSY TOKYO PRIORITY
AMEMBASSY OTTAWA PRIORITY
INFO ALL OECD CAPITALS
USMISSION GENEVA
USMISSION USUN NEW YORK

C O N F I D E N T I A L STATE 189327

FOR USEC, ALSO FOR USOECD

E.O. 11652: GDS

TAGS: OCON, ECOSOC, EGEN, UN

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SUBJECT: UNGA COMMITTEE OF THE WHOLE: MEETING JULY 27
OF EC NORTH/SOUTH GROUP

FOR ACTION BY USEC AT OPENING OF BUSINESS THURSDAY, JULY 27

REF: (A) GENEVA 11316, (B) GENEVA 11346, (C) GENEVA 11302

1. USEC SHOULD ADVISE HELMUT MATHIAS (FRG) PRIOR TO MEETING HE WILL CHAIR OF EC NORTH/SOUTH GROUP MORNING OF JULY 27 THAT U.S. IS PREPARED TO WORK TOWARD THE SEPTEMBER RESUMED SESSION OF THE UNGA COMMITTEE OF THE WHOLE ON THE BASIS OF CHAIRMAN JAZAIRY'S PAPER ON RESOURCE TRANSFERS (REF A). WE WOULD DO SO, HOWEVER, ON THE EXPLICIT CONDITION THAT THIS IN NO WAY INDICATES THAT WE WILL BE WILLING TO NEGOTIATE AGREED TEXTS AT SECOND AND SUBSEQUENT SESSIONS OF THE COW. WE SUPPORT JAZAIRY'S PROPOSAL IN ORDER TO HELP HIM CLEAN UP THE MAY MEETING SO THAT WE CAN PROCEED WITH THE SECOND SUBSTANTIVE SESSION ALONG THE LINES OF THE "YOUNG FORMULA."

2. YOU MAY ALSO INFORM MATHIAS WE BELIEVE THE OECD COUNTRIES SHOULD ADVISE JAZAIRY AT THE APPROPRIATE TIME (AFTER WE HAVE COORDINATED OUR VIEWS ON HIS PAPER MORE CLOSELY)

THAT, IF AN ACCEPTABLE VERSION OF THE PAPER CAN BE WORKED OUT, WE WILL HAVE NO OBJECTION TO HAVING THE DOCUMENT FOR THE MAY MEETING BE DESIGNATED AN EXPRESSION OF THE VIEWS OF THE COMMITTEE OF THE WHOLE PREPARED BY ITS BUREAU. ON THE OTHER HAND, IF AN ACCEPTABLE TEXT IS NOT ARRIVED AT, DIFFERENCES OF VIEWS SHOULD BE NOTED AS SUGGESTED BY BENHOCINE (REF A), JAZAIRY (REF B), AND PEREZ GUERRERO (REF C), AND THE DOCUMENT SHOULD TAKE SOME OTHER FORM, SUCH AS A CHAIRMAN'S REPORT.

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3. WE BELIEVE THAT RESPONSES OF OECD COUNTRIES TO JAZAIRY'S PAPER SHOULD NOT BE GIVEN TO UN SECRETARIAT FOR CIRCULATION IN NEW YORK OR GENEVA UNTIL CLOSE CONSULTATIONS HAVE TAKEN PLACE AMONG OURSELVES. WE WOULD APPRECIATE SPECIFIC VIEWS OF OECD COUNTRIES TO JAZAIRY'S DRAFT. ONCE WE HAVE EXCHANGED OUR VIEWS, OUR NEXT STEP SHOULD BE TO GIVE OUR RESPONSE ORALLY TO JAZAIRY SOON AFTER HE RETURNS FROM VACATION ABOUT AUGUST 5. WE WOULD APPRECIATE EC VIEWS ON WHETHER THIS SHOULD BE DONE COLLECTIVELY OR LEFT UP TO EACH GOVERNMENT INDIVIDUALLY. ONLY AFTER TALKING TO JAZAIRY SHOULD WE DECIDE WHETHER OR NOT TO GIVE SECRETARIAT WRITTEN RESPONSES TO HIS PAPER.

4. WE ARE EXAMINING THE RESOURCE TRANSFER ISSUES, AS WELL AS THE ITEMS ON THE AGENDA FOR THE SEPTEMBER SESSION OF THE COMMITTEE -- FOOD AND AGRICULTURE, LIMA DECLARATION AND INDUSTRIALIZATION, LLDCS -- FROM THE PERSPECTIVE OF THE YOUNG FORMULA. WE WOULD GREATLY APPRECIATE THE VIEWS OF THE EC COUNTRIES CONCERNING TOPICS WITHIN THESE BROAD ISSUES WHICH MIGHT BE SUITABLE FOR SUBSEQUENT REASSESS-

MENT BY DCS AND LDCS.

5. MISSION SHOULD ALSO REMIND MATHIAS THAT IT IS NOT TOO EARLY TO BEGIN THINKING ABOUT A SUCCESSOR FROM THE DEVELOPED COUNTRIES (AS AGREED AT FEBRUARY MEETING) TO JAZAIRY WHO SHOULD STEP DOWN AT THE END OF 1978 OR EARLY NEXT YEAR. WE WOULD APPRECIATE EC VIEWS ON THIS, TOO.

6. YOU MAY ADVISE MATHIAS AND EC OFFICIALS THAT BY AND LARGE, WE BELIEVE JAZAIRY HAS MADE A COMMENDABLE EFFORT TO REDUCE THE CONTENTIOUSNESS OF THE DOCUMENT, BUT WE BELIEVE THAT THE DOCUMENT STILL CONTAINS WORDING WHICH WILL HAVE TO BE MODIFIED EITHER PRIOR TO OR WHEN THE COMMITTEE MEETS IN SEPTEMBER. ALSO, ITS TONE COULD BE CONFIDENTIAL

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MORE BALANCED.

7. THE FOLLOWING ARE OUR PRELIMINARY COMMENTS ON SPECIFIC PORTIONS OF JAZAIRY'S PAPER WHICH MAY BE SHARED WITH MATHIAS, THE EC, AND GOVERNMENTS OF JAPAN AND CANADA:

-- PARS 1-3 ARE IDENTICAL WITH THE TEXT (HEREINAFTER CALLED THE OLD TEXT) CIRCULATED BY THE BUREAU FOLLOWING THE MAY MEETING AND BASED ON AGREEMENTS REACHED IN A CONTACT GROUP DURING THE MAY MEETING, EXCEPT FOR THE ADDITION IN TWO INSTANCES OF THE WORDS "THE COMMITTEE REAFFIRMED THAT ... " ACCORDING REF A, THE SWISS DISLIKED THIS, BUT IT GIVES US NO PROBLEM.

-- PARS 4-6 ARE NEWLY WRITTEN BY JAZAIRY, APPARENTLY IN ORDER TO MAKE THE TEXT MORE GENERAL AND TO MAKE REFERENCE TO SEVERAL CONCEPTS FAVORED BY CERTAIN DC AND LDC DELEGATIONS. THESE PARAGRAPHS CONTAIN SEVERAL INSTANCES OF WORDING AND IMPLICATIONS WHICH WE FIND OBJECTIONABLE, BUT WE WOULD BE WILLING TO TRY TO WORK THESE OUT WITH JAZAIRY OR THE COMMITTEE.

-- PARS 7-9 ARE A MUCH SHORTENED VERSION OF SECTION I IN THE OLD TEXT ON BILATERAL AND MULTILATERAL FINANCIAL RESOURCES. WE HAVE SOME MINOR PROBLEMS HERE. FOR EXAMPLE, PARAGRAPH 8 MIGHT REFER TO OPEC AND COMMUNIST COUNTRIES AS WELL AS DAC MEMBERS.

-- PARS 10-11 ARE A MUCH SHORTENED VERSION OF THE ALTERNATIVE DRAFTS NEVER AGREED TO DURING THE MAY MEETING ON INTERNATIONAL MONETARY AND FINANCIAL ISSUES. IN ADDITION TO OTHER PROBLEMS, WE HAVE SERIOUS DIFFICULTY WITH PAR 11 WHICH ALLEGES THAT LDCS' BALANCE OF PAYMENTS DEFICITS ARE DUE TO STRUCTURAL PROBLEMS WHICH EXISTING
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FINANCIAL AND MONETARY INSTITUTIONS DO NOT ADDRESS.

-- PAR 12 ON ACCESS TO CAPITAL MARKETS AND ON FOREIGN INVESTMENT HAS DROPPED SOME LANGUAGE IN THE OLD TEXT WHICH WE FAVORED, BUT IT IS OTHERWISE ACCEPTABLE.

-- PAR 13 ON SWEDISH MASSIVE TRANSFERS PROPOSAL GOES BEYOND WHAT WAS AGREED TO AT MAY MEETING AND BEYOND THE LANGUAGE PROPOSED IN THE OLD TEXT. JAZAIRY'S LANGUAGE PRESUPPOSES THAT SUCH A SCHEME IS FEASIBLE. WE ARE UNWILLING FOR THE COMMITTEE TO DRAW SUCH A CONCLUSION. ALL PARAGRAPH SHOULD DO IS EXPRESS INTEREST IN THE IDEA AND REQUEST THE SECRETARY GENERAL TO STUDY THE FEASIBILITY OF SUCH PROPOSALS.

-- PAR 14 IS REWRITE AND SLIGHT EXPANSION OF PARAGRAPH INTRODUCED BY G-77 BUT NEVER DISCUSSED DURING MAY MEETING ADVOCATING NEW "FRAMEWORK (JAZAIRY SAYS "SYSTEM") FOR INTERNATIONAL FINANCIAL COOPERATION" WHICH WOULD SUPPORT THE DEVELOPING COUNTRIES MORE ADEQUATELY THAN EXISTING INSTITUTIONS, ESPECIALLY IN PROVIDING LONG-TERM BALANCE

OF PAYMENTS ASSISTANCE. REQUEST FOR SEC GEN REPORT HAS BEEN ADDED BY JAZAIRY. THIS PARAGRAPH IS TOO VAGUE AND LOADED WITH POSSIBLE UNDESIRABLE IMPLICATIONS TO BE ACCEPTABLE TO US.

-- PARS 15-16, EXCEPT FOR MINOR EDITORIAL CHANGES, ARE IDENTICAL WITH SECTION II IN THE OLD TEXT ON TRADE. ALTHOUGH THIS LANGUAGE WAS DISCUSSED AND MUCH OF IT WAS AGREED TO IN NEW YORK, WE RESERVE THE RIGHT TO REVIEW CERTAIN PHRASES IN PAR 15 IMPLYING ACCEPTANCE OF THE PRINCIPLE OF INDEXATION AND IMPROVEMENT OF LDC TERMS OF TRADE AT EXPENSE OF DCS.

8. FOR TOKYO AND OTTAWA: PLEASE BRING THE SUBSTANCE
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OF THIS CABLE TO THE ATTENTION OF MIYAZAKI AND JOHNSTONE RESPECTIVELY.

9. FOR USUN, USOECD, GENEVA AND ALL EMBASSIES EXCEPT TOKYO AND OTTAWA: THIS CABLE FYI ONLY BUT MAY BE DRAWN ON IN DISCUSSIONS WITH HOST GOVERNMENTS AND DELEGATIONS FROM OECD MEMBER COUNTRIES ON IF ASKED BASIS. INQUIRIES

FROM LDC DELEGATIONS SHOULD BE ANSWERED BY SAYING USG
STILL STUDYING JAZAIRY'S PAPER.

10. FOR GENEVA: CAN YOU SHED FURTHER LIGHT ON JAZAIRY'S
INTENTIONS AS DESCRIBED IN PARA 17, REF A. IF WE
UNDERSTAND CORRECTLY, HE INTENDS TO USE ALL RESPONSES
HE RECEIVES TO PREPARE YET ANOTHER DRAFT PAPER ON RESOURCE
TRANSFERS. HE WOULD CALL THE REVISED PAPER THE "CHAIR-
MAN'S SUGGESTED OUTLINE" AND CIRCULATE IT TO GOVERNMENTS
AS THE BASIS FOR THE COMMITTEE'S INITIAL WORK AT THE
SEPTEMBER MEETING. IS THERE SOME SIGNIFICANCE TO THE
WORD "OUTLINE," RATHER THAN SIMPLY CALLING IT A PAPER,
DRAFT OR TEXT? CHRISTOPHER

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Message Attributes

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Disposition Case Number: n/a
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Disposition History: n/a
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